

Amendment No. 1 to SB3328

**Henry
Signature of Sponsor**

AMEND Senate Bill No. 3328

House Bill No. 3399*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting all the language after the enacting clause of the printed bill and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 7-88-103, subdivision (1) is amended by:

- (1) Deleting the language “percentage of change in the collection of sales and local sales and use taxes” from the first sentence and substituting instead the language “percentage of increase in the collection of sales and use taxes”;
- (2) Deleting the language “in the event the state rate for sales and use taxes should change” from the second sentence and substituting instead the language “in the event the state rate for sales and use taxes should increase” ;
- (3) Inserting the language “the increase in the state rate for sales and use tax shall not be used for the purpose set forth in this chapter. In the event the state rate for sales and use tax should decrease during the period any municipality is receiving an apportionment pursuant to this chapter;” after the language “an apportionment pursuant to this chapter” in the current second sentence of this subdivision.

SECTION 2. Tennessee Code Annotated, Section 7-88-103, subdivision (3), is amended by deleting the existing subdivision in its entirety and renumbering the remaining subdivisions accordingly

SECTION 3 Tennessee Code Annotated, Section 7-88-103, subdivision (6) is amended by:

- (1) Deleting the language “‘qualified public use facility’ means any building, complex, center, facility, or other structure” at the beginning of the first sentence and substituting instead the language “‘qualified public use facility’ means any building, complex, center or facility”;
- (2) Deleting the language “twenty five million dollars (\$25, 000,000)” from the first sentence and substituting instead the language “fifty million dollars (\$50,000,000)”;
- (3) Inserting the language “‘qualified associated development’ which means” in the second sentence after the language “‘Qualified public use facility also includes”
- (4) Inserting the language “attached to or located in the qualified public use facility” in the second sentence after the language “parking structures”;

(5) Deleting the word “any” in the second sentence after the language “in connection with the public use facility and”; and

(6) Adding the following new sentences immediately following the last sentence of this subdivision: “The total costs of the qualified associated development must not exceed 30 per cent of the costs of the entire qualified public use facility. Qualified associated development must be located within one and one half miles of the qualified public use facility.”

SECTION 4 Tennessee Code Annotated, Section 7-88-103, subdivision 9, is amended by adding the following new sentence immediately following the last sentence of this subdivision: “The department, in its sole discretion, can reduce or reconfigure a tourism development zone proposed by a municipality.”

SECTION 5. Tennessee Code Annotated, Section 7-88-105, is amended by deleting this section in its entirety and substituting instead the following language:

A tourism development zone shall not extend farther than one and one half mile from the outer perimeter of a qualified public use facility. However, if the department of finance and administration determines that the geographical configuration of a municipality requires an unusually shaped tourism development zone such zone may extend farther than one and one half miles from the outer perimeter of a qualified public use facility, except that the size of the tourism development zone shall not exceed three and one half (3.5) square miles.

SECTION 6. Tennessee Code Annotated, Section 7-88-106, is amended by

(1) Inserting the language “excluding any increase in the state rate for sales and use tax” in the first sentence of subsection (a) immediately following the language “in excess of base tax revenues”;

(2) Inserting the language “and shall apply to only one tourist development zone per municipality” immediately after the language “any indebtedness related thereto” in the first sentence of subsection (b).

SECTION 7. Tennessee Code Annotated, Section 7-88-108, is amended by adding a new subsection as follows:

(e) A facility will be deemed to be “open for public use” for purposes of subsection (d) if

(1) financing is in place and debt service payments by the municipality or public authority has commenced,

(2) a significant part or component of the qualified public use center (as defined in Section 7-8-103(7)) has been completed and is open to the public,

(3) the municipality or public authority is making reasonable progress on the unfinished portion of the qualified public use facility, and

(4) all other provisions of T.C.A Title 7, Chapter 88 have been complied with.

SECTION 8 This act shall become effective upon becoming a law, the public welfare requiring it.